GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

STARRED QUESTION NO:71
ANSWERED ON:07.02.2017
Distress Sale of Agricultural Produce
Meena Shri Harish Chandra;Raghavan Shri M. K.

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether widespread distress sale of agricultural produce including vegetables have been reported in the rural areas due to demonetisation and also for want of remunerative prices and if so, the details thereof;

(b) whether the agriculture labourers have reportedly been idle/retrenched due to demonetisation and if so the details thereof;

(c) whether the Government has analysed the financial losses suffered by farmers due to demonetisation and if so, the details thereof; and

(d) the steps taken by the Government to provide compensation and adequate remunerative prices to the farmers?

Answer

MINISTER OF AGRICULTURE AND FARMERS WELFARE
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(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 71 DUE FOR REPLY ON 7TH FEBRUARY, 2017.

(a): No widespread distress sale of agricultural produce including that of vegetables has been reported in the rural areas due to demonetisation. Price is determined by demand and supply and Government has in place a mechanism to protect the farmers from distress sale by procuring agricultural produce through Central/State agencies under Price Support Scheme (PSS) and Market Intervention Scheme (MIS), when price of these commodities fall below Minimum Support Price and Cost of Production respectively. The payments to the farmers are made strictly through Real Time Gross Settlement (RTGS)/National Electronic Fund Transfer (NEFT) and account payee cheque by the procuring agencies.

(b): No such retrenchment of the agriculture labourers has been reported. The total area sown under five major crop-categories in Rabi was higher than the same period last year.

(c): Question does not arise.

(d): There was no situation that warranted payment of compensation to the farmers.

As regards ensuring remunerative prices to the farmers, Government has been working on improving the marketing environment in the Agriculture Produce Market Committee (APMCs) markets. With this objective, Government has launched eNAM on 14.04.2016, under which online trading of agriculture produce is being undertaken. By now 250 number of APMCs have been integrated on the electronic National Agriculture Market (eNAM) platform. Government is also working on a new APMC Model Act with a view to creating an efficient agriculture marketing system in the country and enable the farmers to realise remunerative prices.

Apart from the above, Government also notifies Minimum Support Price (MSP) for 23 commodities covering both Kharif and Rabi seasons. The Government has put in place a system of procurement, whenever price fall below MSP. Procurement operations are undertaken by FCI in case of wheat and paddy. Under Price Support Scheme (PSS), procurement of pulses and oilseeds is undertaken whenever State Governments report that prices have fallen below MSP. National Agricultural Cooperative Marketing Federation of India (NAFED) undertakes such procurement. In case of perishable commodities where MSP is not notified, procurement is undertaken under Market Intervention Scheme (MIS). In addition, procurement undertaken by Department of Consumer Affairs under Price Stabilisation Fund (PSF) is also found to be useful in assisting the farmers remunerative price.
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